

Robert A. Julian (SBN 88469)
Cecily A. Dumas (SBN 111449)
BAKER & HOSTETLER LLP
Transamerica Pyramid Center
600 Montgomery Street, Suite 3100
San Francisco, CA 94111-2806
Telephone: 415.659.2600
Facsimile: 415.659.2601
Email: rjulian@bakerlaw.com
Email: cdumas@bakerlaw.com

Eric E. Sagerman (SBN 155496)
David J. Richardson (SBN 168592)
Lauren T. Attard (SBN 320898)
BAKER & HOSTETLER LLP
11601 Wilshire Blvd., Suite 1400
Los Angeles, CA 90025-0509
Telephone: 310.820.8800
Facsimile: 310.820.8859
Email: esagerman@bakerlaw.com
Email: drichardson@bakerlaw.com
Email: lattard@bakerlaw.com

Counsel for Official Committee of Tort Claimants

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

Elizabeth A. Green (*pro hac vice*)
BAKER & HOSTETLER LLP
200 South Orange Avenue, Suite 2300
Orlando, FL 32801
Telephone: 407.649.4036
Facsimile: 407.841.0168
Email: egreen@bakerlaw.com

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**DECLARATION OF JERRY R. BLOOM
IN SUPPORT OF OBJECTION OF THE
OFFICIAL COMMITTEE OF TORT
CLAIMANTS TO CONFIRMATION OF
DEBTORS' AND SHAREHOLDER
PROPOSERS' JOINT CHAPTER 11
PLAN OF REORGANIZATION DATED
MARCH 16, 2020**

Date: May 27, 2020
Time: 10:00 a.m. (Pacific Time)
Place: **Telephonic Appearances Only**
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 I, Jerry R. Bloom, hereby declare:

2 1. I am an attorney with the law firm of Baker & Hostetler LLP, attorneys of record
3 for The Official Committee of Tort Claimants (the “**TCC**”) appointed in the above-captioned
4 chapter 11 cases (the “**Cases**”) of PG&E Corporation and Pacific Gas and Electric Company (the
5 “**Debtors**”). I am a member in good standing of the bar of California. I have personal knowledge
6 of the facts stated herein and I could and would competently and truthfully testify to those facts if
7 called as witness.

8 2. I am authorized to execute this declaration on behalf of the TCC. Unless otherwise
9 stated in this declaration, I have personal knowledge of the facts set forth herein. Documents that
10 are attached to this Declaration were obtained by me in the course of my duties described above.

11 3. I submit this Declaration in support of the Objection of the Official Committee of
12 Tort Claimants to Confirmation of Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of
13 Reorganization Dated March 16, 2020 (the “**Confirmation Brief**”).

14 4. In my capacity as counsel to the TCC, I have been representing the TCC’s interests
15 in proceedings related to the Debtors and their proposal plan of reorganization (the “**Plan**”) before
16 the California Public Utilities Commission (the “**CPUC**”).

17 5. On January 31, 2020, the Debtors filed their opening testimony in the CPUC’s
18 Investigation No. 19-09-016 (the “**OII Proceeding**”), which revealed that the Debtors had made
19 certain material changes to the financing for their Plan from that which had been proposed at the
20 time of the TCC’s execution of the Restructuring and Support Agreement with the Debtors (the
21 “**RSA**”). A true and correct copy of the Debtors’ opening testimony (the “**Testimony**”) is attached
22 hereto as Exhibit A. The Debtors’ Testimony, provided by Jason Wells, the Debtors’ CFO,
23 revealed that the Debtors intend to use only \$9 billion of their potential \$12 billion equity backstop,
24 and that, demonstrated by the revised total debt calculations listed in the Testimony, the Debtors
25 would increase their debt financing by approximately \$3.7 billion over the amount that had been
26 represented to this Court in the Debtors’ amended financing motion filed on January 3, 2020. *See*
27 Exhibit A at pp. 2-2 - 2-3. In addition, the Debtors introduced the concept of obtaining a \$6.0 billion
28


1 short-term debt facility that they would intend to replace with a securitization in early 2021. *Id.*, at
2 p. 2-26.

3 6. In its testimony before the CPUC the Debtors had made certain material changes to
4 the financing for their Plan from that which had been proposed at the time of the TCC's execution
5 of the RSA. I intended to cross-examine Mr. Wells on these subjects, but the Debtors took the
6 position that the existence of the RSA precluded the TCC from cross examining Debtors' witnesses
7 before the CPUC.

8 7. Other parties to the OII have continued to address the financing issues that were
9 raised by these changes. On May 11, 2020, the City of San Jose filed Opening Comments in the
10 OII arguing that the Debtors should be required to shift \$3 billion from debt back to equity by
11 raising the equity backstop to the original \$12 billion commitment, a true and correct copy of which
12 is attached hereto as Exhibit B. On the same day, 11 Majors and Supervisors sent a letter in the
13 OII standing with the City of San Jose and others arguing that the Commission condition any PG&E
14 Plan on an increased commitment of equity and reduced amount of debt, a true and correct copy
15 of which is attached hereto as Exhibit C. On May 14, 2020, the Debtors sent a responsive letter
16 arguing that they cannot raise the equity backstop beyond \$9 billion, a true and correct copy of
17 which is attached hereto as Exhibit D. On May 14, 2020, the Utility Reform Network sent a letter
18 responding to the Debtors' letter, a true and correct copy of which is attached hereto as Exhibit E,
19 arguing that the record in the proceeding supports conditioning plan approval on an increased
20 amount of equity.

21 I declare under the penalty of perjury under the laws of the United States that the foregoing
22 is true and correct and that this declaration was executed on the 15th day of May, 2020, in Los
23 Angeles, California.

24 Dated: Los Angeles, California
25 May 15, 2020

26 
27 Jerry R. Bloom
28